

President's Management Agenda and Other Program Management Issues

CDC and ATSDR support fully the crucial public health mission of the Department of Health and Human Services and the President's Management Agenda, a set of governmentwide initiatives announced during FY 2001. Because the President's Management Agenda reflects effective business practices, CDC/ATSDR management is constantly striving to ensure that we comply with this agenda.

During FY 2002, CDC established an executive steering committee both to accentuate the agency's focus and to provide guidance in achieving the outcomes of the agenda. CDC also appointed a full-time coordinator for issues related to the President's Management Agenda.

This pursuit of the President's Management Agenda program dovetails with other ongoing efforts by program managers to ensure that all programs and systems function efficiently and effectively and to identify and correct any problems that could affect the fiscal stewardship and accountability of CDC/ATSDR. Many of those efforts also tie in with the Federal Managers Financial Integrity Act (FMFIA), which sets forth conditions and standards that ensure the public's resources are protected from fraud, waste, and abuse.

This overview highlights the progress CDC/ATSDR made toward accomplishing these governmentwide management initiatives during FY 2002.

President's Management Agenda

Strategic Management of Human Capital

CDC/ATSDR employs more than 9,000 people in nearly 190 occupational specialties that support our public health initiatives. This workforce comprises permanent

civil service staff (78%), Commissioned Corps employees (10%), and temporary employees (12%). In support of the President's Governmentwide Management Reforms, CDC/ATSDR has submitted a "restructuring and delayering plan" that emphasizes reducing the number of managers, organizational layers, and the time it takes to make decisions; increasing the span of control; and redirecting employees to customer service positions.

Actions taken to support the President's Management Agenda regarding human capital include these:

- Increased the supervisory ratio from a baseline ratio of 1:5.5 to 1:7.8, exceeding the target of 1:7 for FY 2002.
- Reduced the number of organizational units from 555 to 526, which surpassed the goal of 527 for FY 2002.
- Developed a detailed plan for eliminating 125 administrative and management FTEs across CDC/ATSDR by the end of FY 2003.
- Established a CDC/ATSDR Workforce Restructuring Board that is responsible for reviewing and approving all requests for filling supervisory positions.
- Hired scientists into the Senior Biomedical Research Service to allow them to focus on applied research and science without adding to the supervisory ranks.

To meet future workforce requirements, CDC/ATSDR both recruits qualified staff and trains current employees to ensure that the agency has the right number of employees, who have the right skills to accomplish programmatic goals. Also, by better matching human capital needs—the size of the workforce—with emerging programmatic demands, the FTE usage rate for CDC/ATSDR was less than 1% below the authorized FTE ceiling in FY 2002. Having the right skill set for employees is as important as having the right number of employees, and CDC/ATSDR is working to complete an automated competency assessment tool that will assess how well an employee's skills set matches those required for the job.

Competitive Sourcing

CDC has met the Competitive Sourcing goals set forth in the President's Management Agenda by annually refining the FAIR Act inventory to reflect the differentiation between commercial and inherently governmental work conducted at CDC/ATSDR and by developing and implementing competitive sourcing plans for FY 2002 and FY 2003. CDC has fully achieved the FY 2002 goal to conduct studies or directly convert 5% of the commercial-type positions, has a compliant competitive sourcing plan for FY 2003, and will be finalizing a plan for FY 2004 in the near future.

Improving Financial Management

During the last decade, the magnitude both of CDC's budget and of our public health responsibilities has dramatically increased. CDC's management responded by reviewing key fiscal management issues and developing a Financial Management Excellence Initiative to improve fiscal management practices in these areas:

- **Accountability**—CDC and ATSDR have received—for the fifth consecutive year—an unqualified audit opinion, as documented in its Chief Financial Officer's Annual Reports for each of those years. Such an opinion indicates that the CDC financial statements present fairly, in all material respects, the financial position of CDC in accordance with accounting principles generally accepted in the United States. Although the auditors do not express an opinion on internal controls, the auditors test selected controls, assess significant estimates made by management, and evaluate overall financial statement presentation.
- **Erroneous Payments**—In FY 2002, CDC processed approximately 152,653 payments. Of this total, CDC issued 64 (.042%) duplicate or erroneous payments. Collection action has been initiated, and many of these payments have been collected. In addition, CDC leads in the area of prompt payment with a 97% compliance rate.
- **New Method for Cost Allocation**—CDC has implemented a new method for allocating indirect costs that directly links users of centrally mandated services—the normal, recurring expenses such as GSA rental payments, utilities, postage, maintenance, security services, and departmental assessments—with the cost of performing those services.
- **Financial Systems**—CDC has been working to enhance and improve its fiscal management activities in areas such as core accounting competencies, professional staff recruitment, financial systems, training, and customer service. CDC is an integral partner in HHS's initiative to develop the Unified Financial Management System that will serve to reduce the number of financial systems across the department, consolidate redundant financial operations, and interface the accounting system with other business systems such as those used for grants, travel, and personnel.
- **Leadership and Staffing**—A key CDC priority continues to be strengthening its accounting staff by recruiting and hiring qualified experienced accountants, certified government financial managers, and certified public accountants.
- **Communications and Training**—CDC's Financial Management Certificate Program enables financial management staff to hone and improve their skills. CDC shares information about fiscal procedures and issues through various

channels, including its Financial Management Office Web sites (Internet: <http://www.cdc.gov/fmo>; Intranet: http://intra_apps.cdc.gov/fmo).

Integration of Financial and Performance Management Systems—CDC continued working with HHS to develop a Unified Financial Management System. CDC continues refining the quality of its performance measures and has reduced to 100 the number of performance measures to be reported in FY 2004. CDC has developed a pilot program that streamlines the grant programs for asthma, diabetes, and obesity. CDC has proposed that administrative burdens be lifted in exchange for achievement of program outcomes.

E-Government

In concert with the Administration's emphasis on expanded E-Government, CDC has actively pursued and contributed to the President's E-Government agenda through actions such as the following:

- Governmentwide Projects—Participated in seven E-Government projects: E-Vitals, GovBenefits, E-Grants, E-Travel, consolidated health informatics, SAFECOM, and Geospatial Information One-Stop.
- HHS Initiatives—Lead or contributed to HHS' E-Government initiatives, such as the HHS Enterprise IT Strategic Plan, the Unified Financial Management System, Enterprise Human Resources and Payroll, consolidated IT infrastructure, and enterprise information security.
- Citizen-Centered Services—With more than 5 million different visitors per month—a figure that spiked to 9 million in October 2001 following the terrorist attacks—CDC's Web site is one of the most frequently visited of all government Web sites. CDC continues making improvements and additions to be more citizen-centered through improved information presentation, navigation, and search capability, thereby providing improved service and enriched health content to serve the public, health practitioners, and other groups.
- Government Paperwork Elimination Act (GPEA)—CDC continues progress toward compliance with GPEA by the October 2003 deadline by enabling means to collect and disseminate information electronically.

Budget and Performance Integration

CDC continues taking steps to improve its budget and performance integration. CDC's Annual Performance Plan includes a "performance road map" that shows the relationship between CDC major budget activities and the performance goals undergirding them. It also includes a cross-referencing system that documents how performance measures relate to the budget request, *Healthy People 2010*, One HHS

Outcome Goals, and the President's Management Agenda. CDC continues streamlining its reporting of performance measures. CDC's Fiscal Year 2003 Performance Plan contained 228 performance measures and the FY 2004 plan, being prepared for OMB submission, contains 100 performance measures, including 39 outcome measures.

OMB selected five CDC program areas—immunization, breast and cervical cancer, diabetes, domestic HIV/AIDS, and the Health Alert Network—to complete the Program Assessment Rating Tool process. CDC provided HHS with all assessment tools, supporting documentation, and completed responses on schedule. CDC will apply the lessons from this initial round to improve program performance and effectiveness.

Finally, CDC has been involved in a pilot program with HHS designed to streamline several grant programs, initially asthma, diabetes, and obesity. CDC has provided to HHS suggestions for lifting administrative burdens tied to this grant process while still holding grantees to program outcomes. OMB is currently reviewing these proposals.

Other Program Management Issues

Security of Information Technology

CDC continually refines and reviews its performance in addressing the most significant risks to its technology infrastructure and its policies, technical standards, and procedures to ensure they are current, effective, and complete. CDC's secure data network uses public key infrastructure to implement strong authentication, encryption, and digital signatures to ensure reliable, protected, and authenticated data exchanges over the Internet for public health surveillance. For example, CDC has issued more than 3,000 digital certificates to partners in state and local health departments and more than 7,000 one-time passcode tokens that ensure the authentication of staff accessing CDC systems remotely. CDC has also greatly improved its network-based virus prevention, intrusion detection and protection, disaster recovery, and other security areas.

Physical Infrastructure: Buildings and Facilities

CDC's management has the responsibility to ensure that its facilities and equipment are adequate to carry out CDC's public health mission; that all facilities, particularly laboratories, are safe for both workers and the community; that the taxpayers' investment in these facilities is protected through effective maintenance and operations; that facilities meet applicable fire and life safety codes; and that responsible energy consumption is standard practice in all CDC facilities. To meet those goals,

CDC's management monitors the adequacy of space assignments and the conditions of CDC's facilities. CDC's management determines the need for repairs and improvements and schedules major and minor renovation, construction, and other facilities projects. During FY 2002, CDC received approximately \$250 million for buildings and facilities, largely for the ongoing funding and continued construction of new facilities at the Roybal and Chamblee Campuses and for the designing and starting construction of other key efforts to upgrade the agency's physical infrastructure:

- Made substantial progress on the construction of the infectious disease laboratory at the Roybal Campus and completed funding for this project.
- Awarded a contract for CDC's scientific communications center to be built on the Roybal Campus.
- Began designing massive infrastructure and security center upgrades for the Roybal Campus.
- Awarded a contract for the new environmental toxicology laboratory on the Chamblee Campus.
- Began designing the replacement laboratory for vector-borne diseases at the Fort Collins, Colorado, facility.

Physical Security

The terror attacks on September 11, 2001, and the anthrax attacks that followed accelerated many planned and new measures to harden security at all CDC facilities. To ensure the health and well-being of our staff, CDC and ATSDR are continually striving to improve security, emergency preparedness, and safety, as illustrated by these highlights that summarize critical efforts during FY 2002:

- Increased security guard force and armed guards.
- Restricted entry points to laboratories and buildings.
- Instituted random car searches and routine inspections of all delivery vehicles.
- Hired a criminal investigator.
- Conducted building evacuation drills and established accountability procedures.
- Established "Hot line" to the Dekalb County, Georgia, Police Department.
- Upgraded emergency notification systems.
- Added lighting, closed-circuit TV cameras, and checkpoints.

- Began developing CDC security standard operating procedures.
- Started evaluating the cardkey system used in CDC's facilities in Metro Atlanta.

Bioterrorism

Before the terrorist attacks on September 11, 2001, and the subsequent anthrax attacks via the postal systems, HHS had given CDC key responsibilities to help protect our nation from, and respond to, acts of bioterrorism. During FY 2002, CDC led the public health response to the first bioterrorism attack in U.S. history and greatly enhanced preparedness in the event of future attacks. CDC's major contributions to this effort include the following:

- Expanded the existing bioterrorism cooperative agreements to fund all states, four localities, and eight territories. All jurisdictions now receive funding for each of these key elements of bioterrorism preparedness and response: preparedness planning and readiness assessment, surveillance and epidemiology, laboratory capacity, communications and information technology, health risk communication and information dissemination, and education and training. The program has been centralized in CDC's Office of the Director, giving projects a single, coordinated point of contact for bioterrorism preparedness.
- Awarded more than \$900 million in cooperative agreements within one month of the President's signature on supplemental appropriations, giving states flexibility to spend immediately on urgent needs while developing detailed workplans.
- Increased to 150 the number of chemicals in the Rapid Toxic Screen, which, in the event of a chemical emergency or chemical terrorism, would provide vital information on chemical agents. CDC also funded five state environmental health laboratories to provide additional surge capacity in the event of a major chemical terrorism incident.
- Increased to 12 the number of National Pharmaceutical Stockpile 50-ton "push packages" that contain medical and pharmaceutical materials stored in special weather-resistant cargo containers. These portable stockpiles can be rapidly deployed to a disaster site, as was demonstrated on September 11, 2001, when a push package arrived in New York City within seven hours of approved deployment.

Filled more than 50 separate orders for National Pharmaceutical Stockpile antibiotics to carry out postexposure prophylaxis in 11 states and the District of Columbia.

- Issued new guidelines for protecting emergency responders and for safeguarding building ventilation systems from attack, addressing self-contained breathing apparatus respirators for occupational use by emergency responders against chemical, biological, radiological, and nuclear agents.

Systems, Controls, and Legal Compliance

The senior managers at CDC/ATSDR strive to support the vital public health mission of HHS by improving and updating systems to increase efficiency, by maintaining the integrity of its financial system and reporting, and by complying with the legal and ethical guidelines that frame our operating procedures.

- *Systems*—CDC's accounting system has remained largely unchanged over the past 10 years, but reporting requirements have grown dramatically. In response, CDC is devoting significant resources to additional system improvements such as automation of the reimbursable billings and streamlining the steps required to produce the financial statements. CDC is closely working with HHS to develop the Unified Financial Management System that will permit real-time processing, make system maintenance more efficient, and better comply with current accounting and data system standards.
- *Controls*—CDC's financial system uses a range of automated and management controls to ensure system integrity. Automated controls are designed to restrict unauthorized access to the system; ensure separation of duties; control daily and monthly updating of the system database; and provide periodic reconciliation reports. Management oversight includes reviews performed under the Federal Managers' Financial Integrity Act; monthly and quarterly review of the status of obligations; annual inventory of government property; and various monthly reconciliation procedures.
- *Legal Compliance*—CDC must comply with a broad range of laws and regulations that cover such requirements as budget execution, ethical conduct of employees, legality of payments, and collection of debts. CDC has complied with laws and regulations applicable to its operations, but our financial auditors have recommended improvements to strengthen the timeliness and accuracy of our financial reporting. CDC is addressing those concerns by improving the automation of our current reporting processes and by working closely with HHS in developing and testing the Unified Financial Management System.